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Adm. McCain Discusses Multi-Purpose Program Of Soviet Seapower

The increase in the number of Soviet Union ships outside "home waters" is a reflection of that country's program to use seapower as a tool of national policy and purpose, according to Adm. John S. McCain Jr., Commander in Chief, U.S. Naval Forces Europe.

Adm. McCain said that the Soviet effort "encompasses not only the military uses of the sea, but also those relating to world politics, economics, commerce and technology."

The political function of Soviet sea power is to make the Soviet presence felt throughout the world, he said.

"Modern Soviet trawlers, for instance," he said, "spreading each day more widely over the high seas, symbolize for the rest of the world the progress that is possible through communism.

"The Soviets now have oceanographic and hydrographic research vessels conducting research in every ocean of the world," the admiral added. "They have submarines studying our own coast."

The Soviet Union, with about 350 submarines—40 of them nuclear powered—has the largest underwater fleet in world history. These figures come as "a complete and unwelcome surprise to most of the people with whom I discuss the subject," the admiral said.

"The race for the seas has not only these practical ramifications," Adm. McCain said, "but also propaganda potential that the space race has had."

SecDef Says DOD Will Review Balance of Payments Program

The Department of Defense is reviewing its balance of payments program in an effort to assist in the reduction of the United States' international payment position, Secretary of Defense Robert S. McNamara told the Senate Armed Services Committee in his annual "posture statement."

Stating the best hope for reducing DOD's foreign exchange spending would be "a substantial reduction in U.S. overseas deployments," Mr. McNamara, however, said he doubted that such a reduction can be expected in the immediate future.

RESCUE AT SEA—Air Force Col. Devol Brett is pulled into a USAF "Jolly Green Giant" HH3E helicopter after being shot down over the South China Sea. Para-medics Sgt. Charles P. Vogely (left) and Sgt. Dennis M. Richardson, both of the 37th Aerospace Rescue and Recovery Squadron, provide the helping hand.

"We have long since exhausted the easy opportunities for savings and any new savings will be most difficult," Mr. McNamara said.

He said Southeast Asia deployments in fiscal 1968 and 1969 are scheduled to rise above the fiscal 1967 average. "This fact, coupled with the likelihood of higher prices for civilian wages and military compensation, and the lower military sales receipts now projected, means that we must expect a further rise in the net adverse balance on the 'Defense' account for this year and next."

Nevertheless, he said, DOD must seek new ways to reduce the foreign exchange impact of spending by U.S. forces abroad. Mr. McNamara said DOD also intends to urge U.S. allies to procure U.S. weapons "and other military equipment wherever feasible."

Mr. McNamara said, excluding the impact of the Southeast Asia conflict, the Department of Defense has been able to hold defense expenditures abroad at the 1961 level of $2.5 billion, "not withstanding substantial increases in wages and prices."

He pointed out that after the net adverse balance on the defense account had been reduced from $2.8

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U.S. Aircraft Withdrawn From 1969 Paris Air Show

The Department of Defense announced Feb. 7 it will not take part in the biennial Paris International Air and Space Show next year.

Secretary of Defense Robert S. McNamara said the decision was made as part of U.S. efforts to reduce unnecessary government expenditures, "and particularly to reduce foreign travel and other activities which lead to expenditures of U.S. dollars abroad."

DOD Directive Outlines Procedures For Homeowners Assistance Applicants

Installation personnel officers—both military and civilian—have been instructed they are the initial processing officials for handling applicants under DOD's new Homeowners Assistance Program.

Secretary of Defense McNamara announced Feb. 2 "implementation of a new program authorized by Congress to provide financial help to eligible military and civilian homeowners serving or employed at military installations which were ordered closed or partly closed since November 1, 1964."

"An estimated 45,000 homeowners may be affected by the new program," the DOD announcement said.

The basics of the Homeowners Assistance Program (Public Law 89-754, Section 1013), which was passed by Congress in November 1966 and recently funded, were described as follows:

"The Homeowners Assistance Program will benefit present or past homeowners in any of three ways. The individual may choose to take cash payment to cover part of his losses resulting from the private sale of his home, or he may sell it to the government, or for foreclosure initiated prior to March 3, 1967, he may choose to be paid back for losses he incurred or will incur."

There are other circumstances which may qualify individuals and certain conditions that must be met. In setting down this detail, DOD has prepared and sent to military and civilian personnel offices a fact sheet attached to the official application form (DD Form 1607, 1 May 1967) for personnel offices to pass out to individuals.

Responsibilities placed upon military and civilian personnel officers of all services and DOD components are spelled out in DOD Directive 5100.54. Basically the following actions are required:

- Even when the installation has no appropriate military or civilian personnel office, officials there must be prepared to answer questions on the program and to refer applicants to the nearest installation which has a personnel office.
- Military personnel use military personnel offices and civilians go through civilian personnel channels.
- All personnel officers are required to assist applicants in filling out Parts I and II of DOD Form 1607 application form.
- These officials must also review the applicant's statement of employment, collect documents, execute Part III of DOD Form 1607, and forward the completed form in triplicate to appropriate field offices.

"It should be noted that the responsibility of personnel officers in the Homeowners Assistance Program is restricted to initial processing of the application," DOD officials stressed.

"Personnel officers are not required and should not attempt to determine the applicant's eligibility, which is based on a number of complex factors," officials explained. "In this connection, only the appropriate field office, which will complete the processing of the application, can determine that the installation where the applicant was employed qualifies under the definition of base closure.

"Also, only the field office can determine that the impact of the base closure action on the applicant's property meets statutory requirements," officials added.

Once the individual military or civilian member of DOD has his application processed by the appropriate field office personnel officials bow out and the individual pursues his application with the field office.

Department of Army has been named Executive Agent for all of DOD. U.S. Army Corps of Engineers will process the applications at locations convenient to the installations affected.

Balance of Payments

(Continued from Page 1)

billion in FY61 to $1.5 billion in FY65, it rose again to $2.3 billion in FY67.

"This rise is almost completely attributable to the extraordinary foreign exchange costs of the Vietnam conflict, which amounted to $1.5 billion in FY67. Indeed, if not for the Vietnam conflict, our net adverse balance in FY67 would have been only $0.8 billion, compared with $2.8 billion in FY61, due in large measure to the increase in receipts from foreign military sales," Mr. McNamara said.

He cautioned that the high level of receipts from foreign military sales in FY67 "was unusual and will almost certainly not be repeated this year or next." The amount received last year, Mr. McNamara added, was due to a "bunching of receipts" from a recent U.S. offset arrangement with the Federal Republic of Germany.

That arrangement, under which Germany offset the bulk of foreign exchange costs of U.S. deployments in that country through equivalent purchases of U.S. military goods and services, has ended, Mr. McNamara said. He added that to provide a partial offset with Germany during the current fiscal year, that country has agreed to purchase a half billion dollars of U.S. medium-term securities.

"We are now working with the Treasury and other government agencies to develop similar arrangements for the future, not only with Germany, but with other countries as well," he said.

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DIALOGUE OF DISSENT

In a recent address, Under Secretary of State Nicholas deB. Katzenbach discussed why we are in Vietnam in relation to three main arguments advanced by dissenters. "If debate and discussion are to be useful," he pointed out, "there must be listeners as well as speakers. Any real dialogue is two-way. What concerns me about the present debate on Vietnam is that people on all sides are more eager to talk than to listen." Following are excerpts from this address in which Mr. Katzenbach counters arguments of dissent.

The decade following the Second World War saw two events of surpassing importance to Asia: The death of Japanese, French and Dutch colonial empires and the birth of Communist China. The victory of Mao had brought a militant revolutionary philosophy to the most populated country in the world. Moreover, Communist China's militancy was shared by its neighbor and ally, North Vietnam.

To our policymakers these events presented a far from happy choice among three approaches: First, we might have gambled that Communist China and North Vietnam would show restraint. Second, we could have concluded that this was a bad gamble but still consciously written off the area as not worth the risks and costs of U.S. involvement. Or, finally, we could have decided that the independence of the area was worth preserving even at the price and risks of providing a temporary umbrella of U.S. power, such as we had provided in Europe, until the area's independent nations could grow strong enough to fend for themselves.

We decided that the nations of Southeast Asia would in time develop resilience and strength, that the area could be woven into a system of independent, mutually supporting nations which could fulfill their enormous latent economic and social promise, and for a period of almost 20 years we have acted on the basis of this judgment.

Viewpoints of Dissenters

Some have argued that the independence of Southeast Asia is not worth the great price of American involvement in Vietnam. But, surely, Southeast Asia cannot be so readily dismissed. Its people deserve a right to develop independence as much as do any other people. I think few of us are either prepared to write off the independence of a quarter of a billion people or prepared to see this part of the world's population turned into enemies of the United States.

A second group of dissenters would agree that Southeast Asia cannot be written off, but contend that the internal problems and self-imposed restraint of Communist China and North Vietnam combine to assure the safety and independence of such countries as Laos, Cambodia, Burma, Thailand, Malaysia and Singapore without a U.S. presence.

The facts will simply not fit [this] assumption unless we ignore North Vietnamese occupation of much of Laos, a Communist effort to take over Indonesia, Hanoi-sponsored revolution in Northeast Thailand, a Chinese invasion of India, and a dozen or so other instances of contrary intent. Testimony of the neighbors of Communist China and North Vietnam bears not only upon the actual risk but also upon the perceived threat of aggression which can erode independence slowly, but just as surely as actual aggression.

In short, the people of Southeast Asia themselves fear for their freedom and independence. It is they who seek protection from Communist subversion and it is they who look with dread at the militant revolutionary giant of Red China to their north.

There is a third group of dissenters. While recognizing our security interests in Asia and the necessity for our maintaining a presence there, these critics are disturbed with the place in which we are making our stand. Their objections add up to a single point: Vietnam is not the place to fight.

This group of people have a good point. Had the choice been ours, perhaps we would not have picked Vietnam either. The terrain favors guerrillas in their mountain and swamp bases; Vietnam's tortured history has left it with a partial leadership vacuum which is only now beginning to be filled; the enemy is experienced and determined, well-led and highly motivated, carrying on a struggle which began 20 years ago; the enemy has land lines of support back to sanctuaries outside the area in which we can use our ground forces, and so on. But these factors—naturally disadvantageous to us—are the very reasons the fight was joined in Vietnam. Since the enemy possessed the initiative at all times to choose the timing and the nature of the assault, he naturally choose those in which he felt he enjoyed the greatest advantage. If our over-all strategy was to succeed in Asia, we really had no choice but to meet the offensive where it occurred, even on ground in which we have to jump some difficult hurdles.

Our Goals in Southeast Asia

We are in Southeast Asia, then, to help provide enough support to make it possible for the nations of the area to develop unmolested. The assistance we are able to furnish allows its people to build their own institutions. We are interested in staying only until they are strong enough on their own so they no longer need our presence.

The decision to fight in Vietnam was the product of many decisions by many people over many years. Right or wrong—and I happen to think it was right—it is now too late to look for a nicer, neater battlefield. History and circumstances have given us Vietnam as the battlefield—and that is where we must make the decisions which may well determine the future shape of Asia, and our role in the future of Asia.

AWARD FROM CHINA—Army Maj. James W. McNulty is congratulated upon his receipt of the Piliang Medal by Air Force Lt. Gen. Richard P. Klocko, Director, Defense Communications Agency. Maj. McNulty was cited for meritorious service by the Republic of China for assisting its army in construction of military installations on Taiwan while he was with the 809th Heavy Engineering Construction Battalion. He now serves as a weapons operations analyst with DCA's National Military Command System Support Center.

Directive Affects Servicemen Returning Foreign Cars to U.S.

A Department of Transportation regulation that went into effect in January will affect all servicemen and DOD civilians returning to the U.S. with foreign made automobiles.

The regulation, provided for in the National Traffic and Motor Vehicle Safety Act of 1966, states that all foreign vehicles manufactured on or after Jan. 1, 1968, must be certified as conforming to safety standards issued by the Department of Transportation. Foreign-made parts governed by the standards must also be certified.

The initial safety standards issued by the National Traffic Safety Agency deal with brake systems; windshield defrosting, fogging and wiping systems; control location and identification; impact protection from steering control systems and interior structure. Additional standards are being developed and will be made effective at a later date.

The only foreign made vehicles exempt from the regulation are:

- Vehicles manufactured before the effective date of the standards. (A statement to this effect is required, however.)
- Vehicles not manufactured in conformity to the standards but which have been altered to conform prior to importation. (Certification of the changes is required.)
- Vehicles which do not conform but for which the owners promise to bring into conformity within a specific time and post bond to that effect.

DOD personnel overseas purchasing foreign vehicles and parts should insure that the required manufacturer or distributor label or tag certifying conformance with the safety standards is permanently attached to the product.

Directive Change Alters DOD Legislative Channels

Procedural changes have been mad recently in the manner in which com manders and staff officers submit an receive documents relating to th "DOD Emergency Legislative an Executive Program."

A Dec. 29 revision of DOD Direc tive 5550.4 provides that "recommen dations relative to legislative an executive documents shall be for warded through agency or servic legislative channels to the Assistan Secretary of Defense (Administra tion).

Formerly, documents were sen through channels direct to the DO General Counsel.

The ASD(A), in collaboration wit the General Counsel of the DOD shal review the proposed actions and effec the required coordination with out side agencies, the final directiv change stated.

IRS Gives Special Handling To Combat Zone Tax Returns

The income tax returns of Arme Forces personnel who served in combat zone during 1967 and are du a refund will be given special treat ment, even if the individual has re turned from the combat zone.

To insure the special handling, th words "COMBAT ZONE" should b written across the top of the ta form and in each margin of the W- Form.

Under the "combat zone exclusion," all compensation received for activ service as a warrant officer or en listed man and up to $500 of com pensation for active service as commissioned officer is excluded fo any month in which the service mem ber served at least part of the month in a combat zone.

The exclusion also applies to serv ice men on active duty who are hos pitalized anywhere as a result o wounds, disease or injury incurre while serving in a combat zone.

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